

**Product Intervention and Product Governance Sourcebook (PROD)**

## Chapter 1

# Product Intervention and Product Governance Sourcebook (PROD)

## 1.7 Application of PROD 7

### Application of PROD 7

1.7.1

R

- (1) ■ PROD 7 applies to:
- (a) a *funeral plan provider*; and
  - (b) a *funeral plan intermediary*,
- with respect to:
- (c) *manufacturing funeral plan products*; and
  - (d) *distributing funeral plan products*.

1.7.2

R

A *Gibraltar-based firm* must also comply with the provisions in ■ PROD 7 (Product governance: funeral plans).

### Manufacturing a funeral plan product

1.7.3

G

The *Glossary* term 'manufacture' includes 'designing, developing, creating and/or entering into or carrying out a *funeral plan contract* as provider' which cover activities prior to the *funeral plan product* being approved for marketing and *distribution*, and on a continuing basis after such approval.

1.7.4

R

- (1) For the purposes of ■ PROD 7, a *funeral plan intermediary* is a *manufacturer* of a *funeral plan product* where an overall analysis of their activity shows that they have a decision-making role in designing and developing a *funeral plan contract* for the market.
- (2) A decision-making role will be assumed, in particular, where a *funeral plan intermediary* autonomously determines the essential features and main elements of a *funeral plan contract*, including any of its price, costs, target market or guarantee rights, which are not substantially modified by the *funeral plan provider*.
- (3) Personalisation of and adaptation of existing *funeral plan products* in the context of *funeral plan distributions* for individual *customers*, as well as the design of tailor-made contracts at the request of a single *customer*, are not manufacturing.

### Territorial scope

1.7.5

R

■ PROD 7 applies to a *firm* with respect to activities carried on by it, or its *appointed representative*, in relation to:

- (1) a funeral plan product; and
- (2) a subsisting funeral plan.

**Interaction of PROD 7 and the RPPD Guide**

1.7.6

G

The RPPD Guide does not apply to a firm to which PROD 7 applies for matters covered by, and where the firm has complied with, PROD 7.